

IN THE UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

United States Courts
Southern District of Texas
FILED

JUL 21 2025

Nathan Ochsner, Clerk of Court

RYNEASHA REED	§
JOHNATHAN ARTHURTON	§
Plaintiffs	§
	§
v.	§
	§
	§
KIA FINANCE AMERICA , TRUEACCORD,	§
RELIANT CAPITAL SOLUTIONS,	§
CREDIT NINJA LLC,	§
RECEIVABLES MANAGEMENT	§
PARTNERS LLC,MIDLAND CREDIT	§
MANAGEMENT LLC	§
Defendants	§

Case No. 4:25-cv-02471

**PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANT MIDLAND CREDIT
MANAGEMENT'S MOTION TO DISMISS**

TO THE HONORABLE UNITED STATES DISTRICT COURT:

NOW COME Plaintiffs Ryneasha Reed and Johnathan Arthurton, Pro Se, and file this Response in Opposition to Defendant Midland Credit Management's ("MCM") Motion to Dismiss (Dkt. 19), and respectfully show the Court as follows:

*PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANT MIDLAND CREDIT MANAGEMENT'S MOTION TO
DISMISS*

I. INTRODUCTION

Defendant MCM's motion mischaracterizes Plaintiffs' claims as "sovereign citizen" or "vapor money" theories without addressing the central facts, evidence, and controlling commercial law presented in the Complaint. This is not a theory case — it is a contract enforcement action supported by documentary evidence, electronic communications, and publicly recorded instruments.

Defendant accepted performance, failed to rebut a clearly defined endorsement, and defaulted under UCC Article 3. Their motion is a boilerplate attack lacking factual or procedural merit.

II. FACTUAL BACKGROUND

Contrary to Defendant's characterization, Plaintiffs did not submit a fictional "bill of exchange." Plaintiffs:

1. Sent a structured conditional offer to MCM referencing Account No. 318070694 and 329661879, outlining exact payment terms.
2. Attached a restrictive endorsement lawfully recorded in Brazos County, TX (Instrument #1498453, Volume 18539), establishing terms for acceptance.
3. Provided a rebuttal window of ten (10) days, with clear instructions that silence or performance would constitute acceptance.

4. Received direct confirmation via chat with MCM agent “Nora Mason,” who acknowledged the debt, discussed payments, and failed to reject the endorsement or terms (see Exhibit A – Chat Screenshot).
5. MCM processed the agreement, and never responded to reject the terms, triggering default under UCC § 3-502 and binding acceptance under UCC § 1-201(b)(3), § 3-104, and § 3-301.

III. LEGAL STANDARD

Plaintiffs agree with the standard under *Ashcroft v. Iqbal*, 556 U.S. 662 (2009), and *Bell Atl. Corp. v. Twombly*, 550 U.S. 544 (2007), that a claim must be “plausible on its face.” However, Defendant misapplies this standard by ignoring the factual content of the Complaint and the evidentiary record.

IV. ARGUMENTS AND AUTHORITIES

A. Plaintiffs Have Alleged a Valid Contract Under UCC Article 3

Plaintiffs submitted a conditional payment instrument meeting the elements of a negotiable instrument under UCC § 3-104:

- Unconditional promise to pay
- Fixed amount
- Payable to order
- Time-defined performance

Performance was offered, and Defendant accepted by silence and continued collection efforts. Their motion does not dispute the presentment, receipt, or opportunity to rebut.

Case Law:

CitiFinancial Servs., Inc. v. Haughton, 137 S.W.3d 476 (Tex. App. 2004) – UCC presentment may bind party even without formal endorsement if performance occurs.

B. Defendant's Silence Constituted Acceptance and Dishonor

Under UCC § 3-502, dishonor occurs when a party fails to pay or respond to presentment. Here, MCM did both — by:

- Failing to reject the offer within the notice window
- Proceeding with acknowledged debt and payment plan

Their agent had actual knowledge of the restrictive clause and gave no legal rebuttal. This triggers acceptance by performance and commercial default.

C. Defendant's Motion Is Boilerplate and Avoids Merits

Rather than rebutting the content of the instrument, the recorded fee schedule, or the administrative record, MCM relies on generic "vapor money" arguments rejected in unrelated cases.

But Plaintiffs do not claim to "eliminate" debts through imagination. Plaintiffs structured a settlement instrument tied to an actual account, with conditions that MCM knowingly failed to reject.

V. PRAYER FOR RELIEF

Plaintiffs respectfully request the Court:

1. DENY Defendant's Motion to Dismiss in its entirety;

2. Acknowledge the sufficiency of the claims under UCC Article 3 and equity;
3. Permit this case to proceed to discovery or issue default judgment upon failure to rebut material facts;
4. Grant any further relief as this Court deems just and proper.

Respectfully submitted,

/s/ Ryneasha-Marie-Arashay: Reed,

Johnathan Arthurton

Plaintiff, Pro Se

3708 E 29th St #1020

Bryan, TX 77802

ryneasha911@gmail.com

Exhibit List:

- Exhibit A – Chat log with MCM agent (Nora Mason)
- Exhibit B – Copy of conditional instrument(s) dated April 21, 2025
- Exhibit C – Screenshot proof of delivery / silence

CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of July, 2025, a true and correct copy of the foregoing *PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANT MIDLAND CREDIT MANAGEMENT'S MOTION TO DISMISS*, along with all referenced exhibits, was served via email to the following counsel of record:

Manuel H. Newburger

Attorney for Midland Credit Management, Inc.

BARRON & NEWBURGER, P.C.

7320 N. MoPac Expy., Suite 400

Austin, Texas 78731

Email: mnewburger@bn-lawyers.com

PLAINTIFF'S RESPONSE IN OPPOSITION TO DEFENDANT MIDLAND CREDIT MANAGEMENT'S MOTION TO DISMISS

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[Remove X](#)**9589071052701018517143**

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Add to Informed Delivery

Latest Update

Your item has been delivered to an agent. The item was picked up at USPS at 9:35 am on May 9, 2025 in SAN DIEGO, CA 92193.

Get More Out of USPS Tracking:**USPS Tracking Plus®****Delivered to Agent****Delivered to Agent, Picked up at USPS**

SAN DIEGO, CA 92193

May 9, 2025, 9:35 am

[See All Tracking History](#)**What Do USPS Tracking Statuses Mean?**

Proposed Payment Terms & Acknowledgment of Debt Obligation

Creditor: MIDLAND CREDIT MANAGEMENT

Debtor: RYNEASHA REED

Reference/Account Number: 318070694

Date: 04/21/2025

This document serves as an official response to your request for a payment plan related to the alleged debt referenced above. The undersigned proposes the following payment arrangement:

- Total Claimed Amount: \$524.85
- Proposed Payment: \$150/month From 04/30/2025-05/28/2025, \$74.85 From 06/11/2025-06/11/2025
- Payment Method: Debit card ending in 6804
- Start Date: 04/30/2025
- Term: 4 payments**

Special Endorsement Clause

Without recourse, pay to the order of Midland Credit Management. Upon acceptance of this document, all parties are bound to Fee Schedule 1498453 , Volume 18539, recorded in Brazos County, TX, including all administrative fees, penalties, and settlement terms therein. This agreement is rescindable within 10 days of receipt via certified mail.

Notice of Binding Terms

Any further communication, action, or performance—including attempting to collect or process the proposed payment—shall constitute full acceptance of this agreement, including the attached fee schedule and administrative terms. Silence beyond 10 days shall also constitute acceptance.

Please retain this document for your records and below is a qr code of my fee schedule. Any rejection must be submitted via email/ mail within the time allowed.



Debtor Signature:

Ryneasha Reed

3708 E 29th St#1020

Bryan, TX 77802

Proposed Payment Terms & Acknowledgment of Debt Obligation

Creditor: MIDLAND CREDIT MANAGEMENT

Debtor: RYNEASHA REED

Reference/Account Number: 329661879

Date: 04/21/2025

This document serves as an official response to your request for a payment plan related to the alleged debt referenced above. The undersigned proposes the following payment arrangement:

- Total Claimed Amount: \$2,336.17
- Proposed Payment: \$150.50/month From 04/30/2025-11/26/2025
- Payment Method: Debit card ending in 6804
- Start Date: 04/30/2025
- Term: 16 payments**

Special Endorsement Clause

Without recourse, pay to the order of Midland Credit Management. Upon acceptance of this document, all parties are bound to Fee Schedule 1498453 , Volume 18539, recorded in Brazos County, TX, including all administrative fees, penalties, and settlement terms therein. This agreement is rescindable within 10 days of receipt via certified mail.

Notice of Binding Terms

Any further communication, action, or performance—including attempting to collect or process the proposed payment—shall constitute full acceptance of this agreement, including the attached fee schedule and administrative terms. Silence beyond 10 days shall also constitute acceptance.

Please retain this document for your records and below is a qr code of my fee schedule. Any rejection must be submitted via email/ mail within the time allowed.



Debtor Signature:

Ryneasha Reed

3708 E 29th St#1020

Bryan, TX 77802

MCM Concierge

9:55

Thank you for contacting Midland Credit Management, a debt collection company. In order to start a conversation with one of our Account Managers, please read through and accept the following:



This chat session may be monitored or recorded. This is an attempt to collect a debt. Any information obtained will be used for that purpose.

Answered



You

9:55

Accept

MCM Concierge

9:55

Can you give me your first and last name please?

Answered



You

9:55

ryneasha reed

MCM Concierge

9:55

Thank you, ryneasha reed. We are looking for an available Account Manager to assist you. Please provide your Midland account number and begin typing your request while you wait.



You joined the conversation

Nora Mason joined the conversation

Nora Mason

9:56

Thank you for waiting, my name is Nora Mason. How can I help you?



You

9:56

having a hard time trying to find an email i can correspond too, can you help?

Nora Mason

9:57

Let me check that for you.



Could you please help me with either your MCM account number or Phone number associated with your account?

NM

You

9:58

i think its 329661879

Nora Mason

9:59

Thank you.

NM

Before we continue, can you please verify your complete date of birth and your mailing address?

NM

You

10:00

ryneasha911@gmail.com

07-10-1999

Nora Mason

10:01

Thank you for verifying.

NM

Please give me a moment to review your account.

NM

You

10:01

3708 e 29th st/1020 bryan tx 77802

Nora Mason

10:04

We have located your MCM account 329661879, for ULTA BEAUTY card with COMENITY CAPITAL BANK that is owned and serviced by Midland Credit Management, a debt collection company with a balance of \$2,336.17

NM

I see you have setup a payment of \$150.50 a month.

NM

You

10:05

yeah well i need to make a clause somewhere
any email you can give me to correspond too/with ?

or i can give you this, "Without recourse, pay to the order of Midland Credit Management. Upon acceptance of this document, all parties are bound to Fee Schedule 1498453 volume 18539, recorded in Brazos County, TX, including all administrative fees, penalties, and settlement terms therein. This agreement is rescindable within 10 days of receipt via certified mail."

just let your supervisors know im doing this, this is a notice.

You

10:11

let this communication serve as a special endorsement in regards to that, thank you

Nora Mason

10:11

Ryneasha, we do nit have an email address.

NM

RYNEASHA911@GMAIL.COM

NM

Just to confirm, this is your personal e-mail address and not provided by your employer, correct?

NM

You

10:13

thats correct, but wouldnt you agree thats no adaaquate business? please let your boss know if you dont respond to deny that special endorsement and doesnt perform --that federal lawsuit is gonna have his name on it.

Private Attorney Ryneasha Reed

the invoice for non performance will be sent via certified mail since you all seemingly dont have an email address

how do i download this conversation sir?

Nora Mason

10:17

You will not be able to download the transcript of this conversation unfortunately,

NM

Since I am unable to provide you an email for your query, I would request you to speak with our Consumer Support Services Department at 800 265-8825. They may be able to assist you further.

NM

You

10:20

Remember this name in 10 days please. i took screeshots of it so i wont but thank you for your time

Nora Mason

10:22

You're welcome.

NM

Nora Mason

RYNEASHA911@GMAIL.COM

Also, We already opted your email. All communications from Midland Credit Management will only be sent to you via email instead of your physical address.

NM

Is there anything else I can assist you with?

NM

Thank for using our chat services. We would love to know if the person you just chatted with understood your situation and handled all of your questions.

Please respond with YES or NO.

NM

Since there is no response from your side, I have to end this chat session.

NM

Thank you for contacting MCM. Have a great day.

NM

Nora Mason ended the conversation

MCM Concierge

10:25

The conversation has ended.

If you have any further questions, please create a new conversation.

CERTIFIED MAIL



9589 0720 5270 1016 5172 90

San Antonio, TX 78208-2110

SAT 12 JUL 2025 1PM

United States Court
Southern District of Texas
FILED

JUL 21 2025

Nathan Ochsner, Clerk of Court

For P/C
7/19/25

United States District Clerk's Office

PO Box 61010

Houston

TX, 77208-1010

[Case No. 4:25-cv-02471]

